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This Week in Canadian Agriculture, Issue 6 2004

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Report Highlights:

Canada Welcomes WTO Panel Report On CWB * CWB Claims Exoneration With WTO Ruling * Canada Ready To Open Border To Cheese Sticks If Us Does * CWB On Track To Meet Export Target * Western Canadian Wheat Growers Association Rises Again * Planning Complete For New Hog And Cattle Plant For Saskatchewan

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1]
[CA]

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

CANADA WELCOMES WTO PANEL REPORT ON CWB: In a February 10 news release, the Government of Canada (GOC) welcomed a World Trade Organization (WTO) panel report examining the practices of the Canadian Wheat Board (CWB) and certain Canadian grain sector policies. The GOC said that it is pleased with certain aspects of the decision on the CWB and that it would study other points raised in the report. The WTO examined whether the CWB acts in conformity with Canada's WTO state trading obligations and if certain Canadian grain sector policies accord less favorable treatment to imported grain than domestic grain. On another key element of the U.S. challenge, the WTO panel ruled that certain Canadian grain sector policies are inconsistent with Canada's WTO obligations. The decision will compel Canada to not discriminate against U.S. grain in the Canadian domestic handling and distribution system. Once the final report has been made public, Canada and the U.S. will have 60 days to register their intent to appeal part or all of the decision to the WTO Appellate Body.

CWB CLAIMS EXONERATION WITH WTO RULING: A February 10 news release from the Canadian Wheat Board (CWB) said that a World Trade Organization (WTO) dispute settlement panel has exonerated the CWB from U.S. claims of unfair trade practices. The ruling dismissed U.S. arguments that the CWB operates in violation of Article XVII of the General Agreement on Tariffs and Trade (GATT). "This is a major victory for western Canadian farmers," said Ken Ritter, chair of the CWB's board of directors. "We are fair traders, with full legal rights to exist and operate as we currently do."

CANADA READY TO OPEN BORDER TO CHEESE STICKS IF US DOES: The February 10 *Globe and Mail* reported that Canada effectively closed its border to U.S. imports of breaded cheese sticks 28 months ago and defended its move as a response after the U.S. moved to block imports of Canadian-made cheese sticks. Department of Foreign Affairs and International Trade (DFAIT) spokesman Pierre Bechard said Ottawa will move to reopen the border to cheese sticks if Washington does. While Canada has launched an inquiry into self-rising crust frozen pizza imports from the U.S., Bechard said Canada is not, to his knowledge, contemplating action against U.S. exports of other snack foods, such as nachos or roasted peanuts.

CWB ON TRACK TO MEET EXPORT TARGET: A February 6 article from *FarmAssist.ca* reported that the Canadian Wheat Board (CWB) is on track to meet its May 2004 grain export target, according to a CWB official. "We met our December export target and are now on pace to meet the next goal," said CWB spokesperson Louise Waldman. The CWB plans to export over 16 million tonnes of western Canadian wheat, durum and barley in the 2003/04 crop year. By the end of May, the CWB is expected to have shipped 85% of its total export target, Waldman said. The CWB was aiming to have 40% of its export target shipped by Dec. 31, 2003. The CWB winter rail program calls for the shipping of 1.5 million tonnes of wheat and durum between October and the end of April. Of that movement, roughly 60% was expected to consist of spring wheat while the other 40% was durum.

WESTERN CANADIAN WHEAT GROWERS ASSOCIATION RISES AGAIN: The February 2 edition of *Agriweek* reported that the newly reorganized Western Canadian Wheat Growers Association (WCWGA) will hold a policy convention in March to formally re-launch the organization, when the then-directors decided to close the office, lay off the staff and suspend operations in June 2003. There were about 1,000 active memberships, which will form the core of the new organization. An 11-member revival committee has been working on a reorganization plan that will be presented to the convention. A new structure will be offered for approval, a new board of directors will be elected, and a broad policy framework devised. The association is expected to retain its free-enterprise approach to current issues, but there is some feeling that in the past its opposition to the Canadian Wheat Board monopoly dominated its activities. It is highly unlikely that the WCWGA will ever tolerate the single-desk monopoly, but its methods may change.

PLANNING COMPLETE FOR NEW HOG AND CATTLE PLANT FOR SASKATCHEWAN: D.M.B. Food Processors Inc., which announced plans to open a C\$65 million meat plant near Qu'Appelle, Saskatchewan last year (see CA3068) is reportedly ready to begin construction in April 2004 for completion in mid-2005. According to press reports, the plant will have the capacity to slaughter and process about 4,000 cattle and 9,000 hogs per week (Comment: currently, there is only one federally inspected cattle slaughter facility in Saskatchewan and the province's share of national hog slaughter is only about 5%). Management anticipates value-added markets in Canada, the U.S. and Asia and Europe. Provincial agriculture minister, Clay Serby told the press that there is no government money in the project although the province has agreed to upgrade the road and power service and provide water services through SaskWater, a provincial crown corporation.

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